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## Business Competency for Ag Businesses; a Key to a Prosperous and Sustainable Future

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# CORNHUSKER ECONOMICS

UNIVERSITY OF  
**Nebraska**  
Lincoln

August 3, 2011

University of Nebraska–Lincoln Extension

Institute of Agriculture & Natural Resources  
Department of Agricultural Economics  
<http://agecon.unl.edu/cornhuskereconomics>

## Business Competency for Ag Businesses; a Key to a Prosperous and Sustainable Future

Market Report	Yr Ago	4 Wks Ago	7/29/11
<b><u>Livestock and Products,</u></b>			
<b><u>Weekly Average</u></b>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.....	\$92.91	\$111.93	\$109.69
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb. ....	126.28	158.78	151.83
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb. ....	116.38	138.35	135.25
Choice Boxed Beef, 600-750 lb. Carcass. ....	154.01	178.54	175.04
Western Corn Belt Base Hog Price Carcass, Negotiated. ....	82.04	97.40	100.15
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean.....	89.21	97.56	103.57
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct. ....	136.00	203.50	184.50
National Carcass Lamb Cutout, FOB. ....	303.88	400.85	404.96
<b><u>Crops,</u></b>			
<b><u>Daily Spot Prices</u></b>			
Wheat, No. 1, H.W. Imperial, bu. ....	5.25	6.21	6.83
Corn, No. 2, Yellow Omaha, bu. ....	3.55	6.20	7.26
Soybeans, No. 1, Yellow Omaha, bu. ....	10.28	13.13	13.65
Grain Sorghum, No. 2, Yellow Dorchester, cwt. ....	6.09	9.71	11.63
Oats, No. 2, Heavy Minneapolis, MN , bu. ....	2.79	3.59	3.76
<b><u>Feed</u></b>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton. ....	150.00	185.00	180.00
Alfalfa, Large Rounds, Good Platte Valley, ton. ....	77.50	135.00	135.00
Grass Hay, Large Rounds, Good Nebraska, ton. ....	82.50	95.00	72.50
Dried Distillers Grains, 10% Moisture, Nebraska Average. ....	90.50	190.00	189.50
Wet Distillers Grains, 65-70% Moisture, Nebraska Average. ....	28.00	70.00	61.50
<b>*No Market</b>			

Husker Ag SMARTS, a statewide professional business management training program was developed and is delivered by the Department of Agricultural Economics, University of Nebraska-Lincoln. It is in conjunction with several partners, University of Nebraska Extension and financial institutions across the state. This joint effort has been financially supported by banking institutions and public funding through the North Central Risk Management Education Center. Local banks and cooperatives have been excited to see this program offered, and have been very supportive in giving scholarships, identifying possible participants and encouraging their clients to become involved.

The SMARTS portion of the program's name is an acronym for STRENGTHENING, MANAGEMENT ABILITIES, increasing RESPONSIVENESS to business challenges by building business TECHNICAL SKILLS through the increased knowledge, understanding and practice of the best business practices.

The basic course is offered as three separate, two-day meetings, for a total of approximately 40 hours of interaction.

### Days 1 and 2: Strategic and Scenario Planning and Human Resource Management

- Situation and Inventory Analysis
- SWOT Analysis
- Goals & Objectives
- Strategic Decision Making Tools
- Scenario and Whole Farm Planning
- Performance Monitoring
- Human Resource Organization
- Employee Handbook
- HR Performance Evaluation

### Days 3 and 4: Production Costs, Budgeting and Financial Analysis, Marketing and Risk Management

- Machinery Management



Extension is a Division of the Institute of Agriculture and Natural Resources at the University of Nebraska–Lincoln cooperating with the Counties and the U.S. Department of Agriculture.

University of Nebraska Extension educational programs abide with the non-discrimination policies of the University of Nebraska–Lincoln and the United States Department of Agriculture.

- Enterprise Budgeting
- Partial Budgeting
- Whole Farm Budgeting
- Financial Measures
- Marketing Strategies
- Marketing Plans
- Risk Identification
- Risk Mitigation

#### **Days 5 and 6: Land Issues, Estate Planning and Wrap-Up**

- Land Values
- Equitable Rental Rates
- Lease Agreements
- Fencing Laws
- Water Issues
- Estate Planning Tools
- Future Goals

The six-day intensive program integrates these topics in a series of interactive discussions, case-study analysis, hands-on training and practice, computer-based simulations, presentations and discussions with successful individuals in agribusiness.

The program's expectations and outcomes can be best described by some of the team's leaders:

**Randy Saner, Extension Educator in Lincoln County,** *"Husker Ag SMARTS is an educational experience designed to further develop your business and management skills. The program will help you plan for the future viability of your agricultural business. It will help you develop a plan for future transitional needs and sustainability of the enterprise. This course is a hands-on approach through making management changes, using a case farm scenario and with your own operation. If you are looking to improve your long-term viability, this course is what you have been looking for. Past participants have taken what they have learned to develop an employee handbook and other management strategies that help them improve their management skills."*

**Jessica Jones, Extension Educator in Johnson County,** *"The program provides comprehensive management experience for farmers and ranchers regardless of what they raise or how large their business. The ultimate goal is to increase the sustainability and profitability of producers and ag managers by helping them acquire business skills and knowledge."*

**Troy Walz, Extension Educator in Custer County,** *"Since Nebraska has so many beef animals that are pastured, it is important for producers as well as land owners to understand and determine pasture rental rates. Knowing how to determine stocking rates for different rangeland sites in Nebraska can help parties come to a rental rate that is satisfactory to both. Written leases are discussed and examples of leases are available for evaluation. There are some pitfalls that can be avoided if a lease is well thought out. Awareness of the fence laws as well as the brand laws in Nebraska is also important for producers who own land or livestock. These are some of*

*the topics that are discussed in the Husker Ag SMARTS program."*

**Brian Strauch, Extension Educator in Red Willow County,** *"Husker Ag SMARTS is a learning-oriented business management program designed to engage participants in interactive discussions through less talk and more interaction. We want participants to have an 'experience' while attending the program. The program offers real-time discussion topic training through the use of computer spreadsheets and other interactive learning tools. Those that attend not only get the value of the knowledge gained from the course, but also a network of colleagues across the state to use for support in future endeavors. This program is proactive in changing the way extension programming is delivered to clientele. The program has the potential to impact rural economies through the increased profitability of Nebraska farms and ranches. Husker Ag SMARTS has the potential to benefit Nebraska and its producers now, and for many years in the future."*

**Jim Schneider, Extension Educator in Hamilton County,** *"Husker Ag SMARTS creates a unique learning opportunity to enhance agricultural producer's enterprise management skills. While taking the course, several participants mentioned that while they had regrets for not having attended college, the Husker Ag SMARTS program was like college coming to them. These students had a thirst for knowledge. Their enthusiastic engagement took the level of learning to a higher level."*

**Robert Tigner, Extension Educator in the Four Southwest Counties in Nebraska,** *"The challenges farmers/ranchers face today are more complex and challenging than ever. Management is more important for the success of the operation. With Husker Ag SMARTS, students learn concepts that will allow them to develop skills that they will use to be sustainable."*

This program focuses on strengthening the skills of those who make the state of Nebraska an economically viable place. The investment in the business skills of ag businesses and producers will no doubt increase wealth and create a more sustainable future for the individuals and the state.

This coming year the program will be offered in Scottsbluff and Seward, Nebraska.

#### **Scottsbluff, Nebraska:**

November 17-19, December 8-9, 2011 and January 17-18, 2012  
Contact: Tom Holman, Extension Educator  
Scottsbluff County; (308) 632-1480, [tholman1@unl.edu](mailto:tholman1@unl.edu)

#### **Seward, Nebraska:**

December 15-16, 2011, January 10-11 and February 7-8, 2012  
Contact: Dennis Kahl, Extension Educator  
Seward County, (402) 643-2981, [DKahl1@unl.edu](mailto:DKahl1@unl.edu)

For more information go to:

<http://johnson.unl.edu/web/johnson/agSMARTS>

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